United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.509
4 September 1978

ENGLISH
Original: FRENCH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 509th MEETING

held at the Palais des Nations, Geneva
on Friday, 15 September 1978, at 6 p.m.

President: Mr. KUTO (Thailand)

CONTENTS

Trade relations among countries having different economic and social systems (agenda item 3):

Report of Sessional Committee II

Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies (agenda item 5) (continued):

(d) Shipping

Other particular matters in the field of trade and development (agenda item 6) (continued):

(b) Progressive development of the law of international trade: eleventh annual report of the United Nations Commission on International Trade Law

(d) Trade and economic aspects of disarmament

Procedural matters (agenda item 1) (continued)

(e) Provisional agenda for the tenth special session and nineteenth regular session of the Board and organization of the work of the sessions

and

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

Other business (agenda item 8) (continued):

(b) Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations (General Assembly resolution 32/36)

Interdependence of problems of trade, development finance and the international monetary system (agenda item 2) (continued)

The meeting was called to order at 7.55 p.m.

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS (agenda item 3):
REPORT OF SESSIONAL COMMITTEE II (TD/B(XVIII)/SC.II/L.1, L.2, L.2/Corr.1, L.3; TD/B/L.513; TD/B/630, 685, 703, 708/Add.1)

1. Mr. MARELLE (France), introducing the report of Sessional Committee II (TD/B(XVIII)/SC.II/L.1, L.2, L.2 and Corr.1, L.3; TD/B/L.513), said that the Committee had considered trade relations among countries having different economic and social systems and, in particular, such relations between the socialist countries of Eastern Europe and developing countries, and it had noted the importance that all its members attached to the development of such relations. The Committee had also examined with appreciation the reports on the work carried out by the Intergovernmental Group of Experts on Trade Opportunities resulting from Multilateral Schemes of Countries Members of CMEA (TD/B/630) and by the Intergovernmental Group of Experts to Study a Multilateral System of Payments between Socialist Countries of Eastern Europe and Developing Countries (TD/B/685). The Committee had expressed the hope that action by UNCTAD to encourage trade relations between developing countries and the socialist countries of Eastern Europe would be intensified.

2. During the session, bilateral and multilateral consultations had also taken place between the developing countries and the socialist countries of Eastern Europe, in accordance with the recommendations in Conference resolution 95 (IV). The main results of those consultations were clearly set out in the Committee's report.

3. He drew attention to two draft resolutions, one submitted by the Group of 77 (TD/B(XVIII)/SC.II/L.1 and the other by Group D (TD/B(XVIII)/SC.II/L.3), and said that the consultations that had taken place had unfortunately not led to the production of a joint text.

4. Referring to the account in document TD/B/L.513 of the Committee's deliberations at its closing meeting, he said that the word "deplorable" should be added before the words "recent trend" in the sixth line from the end of paragraph 55.

5. Mr. CHAO Kuang-ta (China) said that his delegation had not taken part in the work of Sessional Committee II and that it therefore reserved its position on the tenor of the report, while generally supporting the positions taken by the Group of 77.

6. Mr. AMDAN (Nigeria), speaking on behalf of the Group of 77, drew attention to the draft resolution (TD/B(XVIII)/SC.II/L.2) which the Group had submitted to the Sessional Committee with the purpose of focusing the preparatory work for the fifth session of the Conference on specific issues and contributing to the implementation of resolution 95 (IV). The measures proposed in the draft resolution were vital if substantial results for developing countries were to be achieved at the fifth session of the Conference on that particular agenda item.

7. It was therefore a matter of regret that in spite of the efforts of the developing countries, Group B had maintained the same inflexible attitude as in the Intergovernmental Group of Experts on Trade Opportunities, whose report (TD/B/630) contained, in annex 1, the agreed conclusions and recommendations proposed by the Group of 77, which the Group of Experts had been unable to approve. He was concerned to note the increasing frequency with which the recommendations of the Group of 77 were simply annexed to reports and referred to further meetings.

8. On several occasions, representatives of Group B countries had declared in the Board that unutilized opportunities and potential abounded in their countries from which developing countries could benefit through co-operation arrangements. However, attempts in that direction by certain members of the Group of 77 had often been thwarted by the unwillingness of the socialist countries to support their projects. The Group of 77 was greatly concerned at that negative attitude, which was likely to make an adverse impression on public opinion in the developing countries.

9. Mr. EDAUH (German Democratic Republic), speaking on behalf of Group D, said that Sessional Committee II had had a fruitful exchange of views on a number of problems connected with trade relations among countries having different economic and social systems and had considered the results of the meetings of the two intergovernmental groups of experts which had been held in the autumn of 1977. Furthermore, very intensive consultation and negotiations had taken place during the last few days between members of Group D and members of the Group of 77 with the aim of reaching a common conclusion. But different views had continued to exist on certain questions of principle, in spite of the many constructive proposals made by the socialist countries. Group D could not accept any result which did not take account of all trade flows and their interrelationship. The exclusion of one or more was in its view incompatible with the universal character of the fifth session of the Conference and with the relevant resolutions adopted since the establishment of UNCTAD. Within that framework of principle, the Group D countries had done their utmost to bridge over the existing difficulties and it was not their fault if they had been unable to reach agreement on a common text. The failure was attributable to the other groups which had tried to deal only with limited aspects of the problem.

10. Mr. HERRE (Federal Republic of Germany), speaking on behalf of Group B, said it was regrettable that Sessional Committee II had been unable to establish definite guidelines for the work of the Conference at its fifth session on the question of trade relations among countries having different economic and social systems. The co-ordinators had appeared to be on the point of reaching agreement on a common text in which only two contentious passages remained, but Group D had proved inflexible, although the matter under consideration was of capital importance for solving world trade problems and especially for increasing the economic capacity of the developing countries.

11. The countries members of the Group of 77, for their part, had made praiseworthy efforts to set out their aspirations and ideas clearly and, having regard to resolution 95 (IV), Group B approved in the main the draft resolution (TD/B/(XVIII)/SC.II/L.2) which those countries had submitted to the Sessional Committee. Group B remained convinced that there were immeasurable possibilities of intensifying economic and trade relations between socialist and developing countries.

12. On the issue of whether UNCTAD was competent to analyse the trend of economic and trade relations between the socialist countries and the developed market economy countries, Group B differed from Group D in considering that, notwithstanding its universal character, UNCTAD should have regard to activities in other organs of the United Nations system.

13. The PRESIDENT said that, in the absence of objection, he would take it that the Board formally adopted the report of Sessional Committee II, decided to annex it to the report on its eighteenth session and also took note of the reports of the two intergovernmental groups of experts (TD/B/680 and TD/B/683).

14. It was so decided.

MATTERS RELATING ACTION BY THE BOARD RECENTLY WHICH ARE RELATED TO REPORTS AND ACTIVITIES OF LDCs SUBSIDIARY AND OTHER BODIES (agenda item 5) (continued)

(a) REVIEW (TD/B/L.[illegible] and [illegible]; TD/B/AC.[illegible]) (continued)

15. [illegible] (Brazil), speaking on behalf of the Group of 77, said that the Group, after submitting draft decision TD/B/L.[illegible], had undertaken to examine considerations with the other Groups in order to reach an agreement, about which there had been no difficulty in the case of Group B but which had not been possible with Group D which had maintained its position. Under the circumstances, the Group of 77 was obliged to submit a revision of the draft decision.

16. [illegible] (Federal Republic of Germany), speaking on behalf of Group B, said that the members of his Group had taken note of the draft decision but had not had time for examination of it even in the current session of the Board could be followed, as they appreciated, by a second round of discussions in the Committee on Shipping. Consequently, Group B was not in a position to approve the proposed addition. It continued fully to support Economic and Social Council resolution 1978 (LVIII) and appreciated the secretariat's draft, but it regretted that the secretariat consultations with the other United Nations organs concerned had been held [illegible] although document TD/B/C.3/[illegible] and Add.1 was dated 1 August 1978, it had been made available in certain capitals only after the deadline of 15 September for the revision of the Board. On the basis of information obtained, Group B was not fully convinced that all the aspects of the proposed addition to the terms of reference of the Committee, as amended, were generally acceptable to all the United Nations organs and agencies concerned. Furthermore, Group B did not believe that there were pressing reasons to [illegible] main agenda of the Board on a matter of particular concern to it.

17. The spokesman for the Group of 77 had said that the procedure proposed by Group B would lead to a further delay of two years, but Group B did not see why the Committee could not be convened before the next regular session of the Board. In general, a gap of three years between sessions of the Committee implied that there were no urgent questions to the solution of which it might contribute. In spite of its desire to have the matter referred to the Committee, Group B had proposed, during informal contacts, a compromise text in which it sought several important concessions and had agreed to a general mandate for the Committee on Shipping, but would enable it to deal with matters of intermodal transport and containerization when there was a new link, leaving only the detailed terms of reference for review by the Committee. Furthermore, Group B had called for an early meeting of the Committee, both to confirm the importance it attached to UNCTAD's work in that area and to permit ratification of the terms of reference at the nineteenth session of the Board. Finally, in order to make it clear that Group B's intention had never been to impede UNCTAD's efforts, it had proposed the secretariat to prepare a draft programme of work.

18. Group B greatly regretted that its text had not been acceptable to other Groups and still more that they had deemed it appropriate to decide by a vote the question of revision of the terms of reference of a main committee, a procedure that it regarded as quite unusual and that could only be harmful to the future work of the Committee. It would therefore abstain in the vote and reserved the right to return to the issue in the Committee on Shipping.

19. Draft decision TD/B/[illegible] was adopted by 68 votes to none, with 19 abstentions.

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (agenda item 6) (continued):

(b) PROGRESSIVE DEVELOPMENT OF THE LAW OF INTERNATIONAL TRADE: ELEVENTH ANNUAL REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (TD/B/720)

70. The PRESIDENT suggested that the Board might wish to take note, with appreciation, of the report of the United Nations Commission on International Trade Law.

72. It was so decided.

(d) TRADE AND ECONOMIC ASPECTS OF DISARMAMENT (TD/B/L.517)

73. Mr. ZAVOTSKY (Czechoslovakia), introducing the draft decision submitted by his delegation on behalf of Group D (TD/B/L.517), said that the text had been the subject of consultations with the regional groups, whose views had been taken into consideration in the final drafting, that was the reason for its late distribution.

74. Mr. [illegible] (Federal Republic of Germany), speaking on behalf of Group B, said that the draft decision was acceptable to Group B, because it was in conformity with Conference resolution [illegible] (III) and the normal procedure of consultation among United Nations organs. However, in Group B's view, the question should not be given high priority in UNCTAD's work programme and the data and expertise to be provided under paragraph 1 of the draft decision should not absorb much staff or resources.

74. Mr. CHAO Kuang-yu (China) pointed out that the draft decision had only just been distributed. His delegation, which had not been consulted on the wording of the text, had therefore not had time to examine it and requested that action on it should be postponed.

75. The PRESIDENT suggested that consideration of draft decision TD/B/L.517 should be deferred until the next meeting.

76. It was so decided.

PROCEDURAL MATTERS (agenda item 1) (continued):

(c) PROVISIONAL AGENDAS FOR THE TENTH SPECIAL SESSION AND NINETEENTH REGULAR SESSION OF THE BOARD AND ORGANIZATION OF THE WORK OF THE SESSIONS (TD/B/L.508 and L.509) (continued)

OTHER BUSINESS (agenda item 8) (continued)

(b) IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (General Assembly resolution 32/36) (continued)

77. The CHAIRMAN said that, in the absence of objection, he would take it that the Board adopted the draft provisional agenda for its tenth special session (TD/B/508), which had been prepared by the secretariat.

78. It was so decided.

for their liberation; great colonial empires had crumbled and over 100 countries had become independent. Nevertheless, the international community could not cease to concern itself with the problem until colonialism and racism had vanished from the earth. At the beginning of 1977, about 30 territories had still not attained their independence and were under colonial domination or trusteeship. The Soviet Union had always supported the struggle of peoples to destroy those last centres of colonialism and apartheid.

36. UNCTAD should respond to the General Assembly's call in resolution 32/34 and strengthen its activities relating to the implementation of the Declaration, for the matter has important economic and social aspects.

37. In spite of the numerous resolutions adopted by the General Assembly and other United Nations organs, many Western States had begun to get on more to economic and trade relations with the apartheid régime in South Africa and the racist régimes in southern Africa. In spite of the embargoes which had been agreed upon, in spite of the Plan of Action unanimously adopted as recently as August 1976 by the World Conference to Combat Racism and Racial Discrimination, it appeared from the press that British Petroleum and Shell had recently delivered oil to the racist régime in Rhodesia, in defiance of the economic sanctions agreed upon by the United Nations. Transnational corporations, banks and other enterprises, far from putting an end to their activities in the racist countries of southern Africa, were in fact intensifying them. Thus the working paper prepared for the Sub-Commission on Prevention of Discrimination and Protection of Minorities (E/CN.4/Sub.2/416) showed that over 1,000 banks, large enterprises and other bodies or persons in Western countries, such as the United States of America, the United Kingdom, France, the Federal Republic of Germany, Israel and Italy, were conducting activities in southern Africa and the list was by no means exhaustive. The working paper also showed that the racist régimes in southern Africa would not have survived so long without the moral and material support of certain members of the international community and without economic assistance from the transnational corporations. The activities of the international monopolies which continued to exploit the human and natural resources of the colonial countries were the main obstacles to the political and economic independence of many peoples.

38. In its report on its thirtieth session (August-September 1977), the Sub-Commission had considered that the international community should press the Western countries and transnational corporations to stop any form of commercial co-operation with South Africa, since the time had come to undertake action and to stop frustrating measures and resolutions adopted by the United Nations bodies (E/CN.4/1341, paragraphs 32 and 40).

39. Thus, the Board had a great deal to do in implementation of General Assembly resolution 32/34. His delegation therefore supported the proposal of the Group of 77.

40. The CHAIRMAN said that, in the absence of objection, he would take it that the Board adopted the proposal to include in the agenda for its nineteenth session an item on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

41. It was so decided.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 5) (continued) (TD/B/715 and Add. 1 and 2; TD/B/L.340)

. Mr. [illegible] (Spain) said that in view of the interdependence of the problems involved in the Programme of Action on the Establishment of a New International Economic Order, his delegation would like the UNCTAD secretariat to carry out a study on ways to overcome for the world economy, and particularly for that of the developing countries, of the failure of the developed countries to reach commercial agreements in fields which were of fundamental importance to the attainment of the objectives adopted for the establishment of the new international economic order.

. In the light of recent events in the world economy, his delegation would like a study which brought out the interdependence of the following aspects: commodity prices, access for manufactures and semi-manufactures of developing countries to the markets of developed countries, financial problems of development, external indebtedness problems of developing countries, and the international monetary system.

. Mr. [illegible] said that those suggestions would be reflected in the Board's report.

. Mr. [illegible] (Secretary of the Board) said that the first part of its fourteenth session (TD/B/L.340) on the interdependence of problems in trade, development finance and the international monetary system. It was for delegations to take the Board's report into consideration if that draft conclusion to the secretariat study.

. It was so decided.

. Mr. [illegible] said that it was his understanding that the Board wished to keep the question of the interdependence of problems of trade, development finance and the international monetary system on the agenda for its future meetings.

. It was so decided.

The meeting rose at [illegible].